



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Special Report**  
**Alternative Learning Experience**  
**Arlington School District No. 16**  
**Snohomish County**

**For the period September 1, 2015 through August 31, 2016**

**Published May 25, 2017**

**Report No. 1019212**





**Office of the Washington State Auditor**  
**Pat McCarthy**

May 25, 2017

Board of Directors  
Arlington School District No. 16  
Arlington, Washington

**Report on Alternative Learning Experience**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance with alternative learning experience enrollment reporting rules. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT SUMMARY

### Results in brief

District operations complied with applicable state laws and regulations and its own policies and procedures regarding alternative learning experience (ALE) enrollment. For the year ending August 31, 2016, the District received approximately \$33.6 in combined enrollment and staff mix funding; approximately \$526,649 of this was related to its ALE programs.

- Stillaguamish Valley School – The program reported 83.48 average annual full-time equivalent (AAFTE). Our audit of this program tested a sample of seven students and found 0.799 AAFTE over reported.

We estimate these errors resulted in \$5,041 in over funding.

We noted certain matters that we communicated to the District management in a letter dated May 18, 2017 related to ALE documentation. We appreciate the District's commitment to resolving those matters.

### About alternative learning experience programs

ALE programs are a form of basic K-12 public school education in Washington State. While students in traditional basic education attend classes on campus and have face-to-face contact with teachers and other staff, ALE students may spend most, or even all, of their time outside of a regular classroom setting.

Districts may build Internet-based educational programs that enroll students from anywhere in the state. Besides Internet programs, ALE can be accomplished through a contract between a student and district instructors, or through a parent-partner program in which parents participate in the design and teaching of the student's courses. These programs are different from homeschooling in that students remain part of the public school system and districts claiming funding are responsible for supervision, monitoring, assessing and evaluating the student's education.

Districts may count ALE students for funding when they report enrollment to the Office of Superintendent of Public Instruction (OSPI). In order to claim ALE students for funding, ALE programs must satisfy OSPI's requirement for courses of study leading to a high school diploma. Districts must prepare detailed plans for each student, maintain regular contact with students, and evaluate student progress on a monthly basis. Districts must also keep detailed records to show they have met all of these requirements.

During the period under review, the District operated one ALE program, which accounted for 1.6 percent of its total basic student enrollment:

- Stillaguamish Valley School is a combination remote/on-line/site-based program serving student in grades K-12. The program has operated for 18 years and non-resident students represent 31.5 percent of students reported for funding.

## About the audit

Per RCW 28A.232.010, school districts must receive biennial audits of their ALE program. This report contains the results of our independent audit of ALE enrollment at Arlington School District No. 16 from September 1, 2015 through August 31, 2016.

Management is responsible for ensuring compliance with applicable ALE requirements. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the District's compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters, with regard to its ALE program.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Arlington School District No. 16 Snohomish County September 1, 2015 through August 31, 2016

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of Arlington School District No. 16. The State Auditor's Office has reviewed the status as presented by the District.

<b>Audit Period:</b> 9/1/2013-8/31/2014	<b>Report Ref. No.:</b> 1014462	<b>Finding Ref. No.:</b> 2014-001
<b>Finding Caption:</b> The District lacked adequate controls over enrollment reporting for its Stillaguamish Valley High School alternative learning experience program resulting in overfunding of \$57,909.		
<b>Background:</b> Alternative learning experience (ALE) is an individualized course of study that school districts may claim for basic education funding, provided the district complies with state regulations.  The Office of Superintendent of Public Instruction (OSPI) establishes the rules and provides instructions on Alternative Learning Experience (ALE) enrollment reporting for state funding.  In the 2013-2014 school year, the District received approximately \$27.9 million in funding based on enrollment and the education and experience of its teachers. Nearly \$796,417 was attributed to reported ALE enrollment. Of this amount, Stillaguamish Valley High School received \$709,391.  District management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of documentation supporting enrollment reporting in ALE. Written student learning plans must be approved by certificated instructors prior to reporting students for funding. Students are reported for funding based on the number of hours they are enrolled. Monthly progress evaluations must be conducted within five days of the end of each month.		
<b>Status of Corrective Action: (check one)</b> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Fully Corrected         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Partially Corrected         </div> <div style="text-align: center;"> <input type="checkbox"/> Not Corrected         </div> <div style="text-align: center;"> <input type="checkbox"/> Finding is considered no longer valid         </div> </div>		
<b>Corrective Action Taken:</b> <i>The district conducted meetings with certificated teachers to develop and approve WSLPs in August, prior to the first Count Day.</i>		

## INFORMATION ABOUT THE DISTRICT

Arlington School District No. 16 provides education services to students in preschool through 12th grade. The District's service area includes the City of Arlington and neighboring unincorporated portions of Snohomish County. The District serves nearly 5,400 students with a staff of approximately 338 certificated, 292 classified, and 28 administrative employees. The District operates two high schools, including one alternative high school, two middle schools, four elementary schools and one K-12 ALE Program.

An elected, five-member Board of Directors governs the District. General fund expenditures totaled \$59,695,353 in 2015-2016.

Contact information related to this report	
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### Audit history

You can find current and past audit reports for the District at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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